



PRESS NOTICE

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FOR IMMEDIATE RELEASE
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WACKENHUT SERVICES, INC. AGREES TO SETTLE GOVERNMENT'S
ALLEGATIONS FOR THE PAYMENT
OF \$650,000

COLUMBIA, South Carolina ---- United States Attorney William N. Nettles, stated today Wackenhut Services, Inc. (WSI) has agreed to pay the United States \$650,000.00 to resolve allegations of fraud involving WSI's inclusion of unallowable and expressly unallowable expenses in its certified cost proposals it is required to submit to the government.

WSI provides security services for the Department of Energy at Savannah River Site and other government facilities. Today's settlement resolves allegations by the United States that WSI submitted to the government on its cost proposals both unallowable and expressly unallowable under the Federal Acquisition Regulations for the years 2001 through 2005. WSI is required to submit to the government certified cost

proposals. Expenses submitted in WSI's cost proposals included, among other things, a charter boat cruise, a Polynesian drum show, and alcohol for WSI employees. The government contends that WSI violated both the False Claims Act (FCA), 31 U.S.C. §§ 3729-3733 and the Federal Acquisitions Regulations Act (FAR).

The FCA prevents a government contractor from presenting a false claim to the government for payment. In this matter, the government alleged that WSI submitted claims in its certified cost reports which were expressly unallowable under the FAR. The FAR also has separate penalties for violating its provisions which were resolved in this settlement.

Mr. Nettles stated, "This is a significant settlement. When providing services paid for by the government, contractors must adhere to the requirements of the FAR. A number of attorneys and agents have worked very hard on the investigation and on the negotiations that resulted in this settlement. I commend Assistant U.S. Attorneys Fran Trapp and Jennifer Aldrich, for their extraordinary effort in this case. In addition, Lucy Knowles, Chief Counsel, Department of Energy Savannah River Operations Office, Craig Armstrong, Department of Energy Contracting Officer, and Special Agents from the Department of Energy Office of Inspector General deserve great credit for their diligence and expertise in this case." The settlement is the culmination of a joint investigation involving investigators, attorneys and auditors from the United States Attorney's Office in Columbia, and the Department of Energy, Savannah River Site.

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